GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:4717
ANSWERED ON:23.08.2001
CONSTRUCTION OF REFRIGERATION FACILITIES IN PRIVATE SECTOR
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government have any proposal to give fiscal and other incentives for construction of refrigeration facilities in private sector for perishable commodities like vegetables etc. to the States in the country;

(b) if so, the details thereof and the total capacity likely to be created during 2001- 2002; and

(c) if not, the reasons therefor?

Answer

MINISTER OF AGRICULTURE (SHRI AJIT SINGH)

(a) to (c): Section 80-IB of the Income-Tax Act envisages two tier tax holiday toindustrial undertakings including cold storage plants set up in an industrially backward state (as specified in the 8th Schedule of the Income Tax Act) and in notified industrially backward districts in respect of commencement of operation on or after 1.4.1993 and 1.10.1994, respectively and upto 31.3.2002. For undertakings in industrially backward states and category-A industrially backward districts, a deduction of 100% of profit and gains for the first 5 years followed by 25% (30% for companies) for the next 5 years is available. For undertakings in Category-B industrially backward districts a deduction of 100% of profit and gains for the first 3 years followed by 25% (30% for companies) for the next 5 years is available. Further, Cold chain facilities for agricultural produce enjoy a 10 year 25% (30% for companies) deduction from profits and gains under Section 80-IB on commencement of operation on or after 1.4.1999 and up to 31.3.2003.

Certain specified goods, if intended to be used for the installation of a cold storage, cold room or refrigerated vehicle, for the preservation, storage or transport of agricultural produce are exempt from payment of excise duty.

Besides, financial assistance in the form of back-ended Capital Investment subsidy is provided for construction of cold storages and cold chain infrastructure like pre-cooling units, cool stores, containers, refer vans, etc. by the National Horticulture

Board (NHB), an autonomous organization under the Department of Agriculture & Cooperation, under its schemes as below:-

(i) Capital Investment Subsidy @25% of the project cost not exceeding Rs.50.00lakhs per project and @33.33% of the project cost up to a ceiling of Rs.60.00 lakhs per project for North Eastern States for construction of cold storages.

(ii) Capital investment subsidy @ 20% of the total project cost not exceeding Rs.25.00 lakhs per project for development of Commercial Horticulture through Post Harvest Management.For North East/Tribal/Hilly Areasmaximum limit of subsidy is Rs.30.00 lakhs.

As on date, 327 number of cold storage projects creating a total capacity of 16.00 lakh MT have been sanctioned.